

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CRYSTALLEX INTERNATIONAL CORP.,)

Plaintiff,)

v.)

BOLIVARIAN REPUBLIC OF VENEZUELA,)

Defendant.)

Misc. No. 17-151-LPS

**SPECIAL MASTER’S MONTHLY REPORT
FOR THE PERIOD ENDED JANUARY 31, 2024**

Dated: May 1, 2024

ROBERT B. PINCUS in his capacity as
Special Master for the United States District Court for the District of Delaware
PO Box 4570
Wilmington, DE 19807

Dated: May 1, 2024

BY HAND DELIVERY & CM/ECF

The Honorable Leonard P. Stark
United States District Court for the District of Delaware
J. Caleb Boggs Federal Building
844 North King Street
Wilmington, DE 19801-3570

Re: *Crystallex International Corp. v. Bolivarian Republic of Venezuela*, D. Del. C.A. No. 1:17-mc-00151-LPS; Special Master's Status Report for the Period Ended January 31, 2024 (this "**Report**")

Dear Judge Stark:

By order dated April 13, 2021 [D.I. 258], Your Honor appointed me as Special Master in this case to design, oversee, and implement the sale of Petroleos de Venezuela, S.A.'s ("**PDVSA**") shares of PDV Holding Inc. On May 27, 2021, Your Honor issued the *Order Regarding Special Master* [D.I. 277] (the "**May 27 Order**")¹ setting forth, among other things, various obligations and duties applicable to the Special Master, the Parties, and ConocoPhillips (together with the Parties, the "**Sale Process Parties**"), including my obligation to provide the Court with a periodic status report concerning my progress and efforts. The last report that I submitted to the Court was for the period ending December 31, 2023 [D.I. 998] (the "**December 2023 Report**"). I hereby write to provide this Report for the period since the December 2023 Report through January 31, 2024.

Summary of Events Taking Place since December 31

During January 2024, I have undertaken the following actions, with the assistance of my advisors (collectively, the "**Advisors**"), in accordance with my duties and obligations set forth in the May 27 Order:

- Engaged in various work streams related to the Marketing Process in furtherance of obligations under the Sale Procedures Order, including:

¹ All capitalized terms used but not otherwise defined herein, have the meanings ascribed to such terms in the May 27 Order and the Sixth Revised Proposed Order (A) Establishing Sale and Bidding Procedures, (B) Approving Special Master's Report and Recommendation Regarding Proposed Sale Procedures Order, (C) Affirming Retention of Evercore as Investment Banker by Special Master and (D) Regarding Related Matters [D.I. 481] (the "**Sale Procedures Order**").

The Honorable Leonard P. Stark

May 1, 2024

Page 2

- Continuing to develop a list of Potential Bidders² in consultation with CITGO's management team and my Advisors;
 - Preparing, negotiating and distributing Marketing Materials and Non-Disclosure Agreements (the "**NDAs**") to Potential Bidders and consulting with my Advisors and CITGO's management team regarding inquiries from Potential Bidders;
 - Preparing and distributing the First Round Bid Request Letter (the "**Letter**") to Potential Bidders who have executed NDAs;
 - Continuing to regularly meet with CITGO's management team regarding the diligence process and Potential Bidders;
 - Discussing and evaluating potential transaction structures and associated issues with my Advisors;
 - Reviewing and analyzing Round 1 non-binding indications of interest ("**IOIs**");
 - Preparing documentation and conducting analysis related to a potential Sale Transaction, including research related thereto;
 - Preparing an analysis of all IOIs and discussing the same the Sale Process Parties;
 - Discussing with and responding to inquiries from judgment holders seeking to be designated as Additional Judgement Creditors; and
 - Reviewing due diligence materials provided by the CITGO management team and conducting related analysis.
- Carried out Your Honor's directives under the *Memorandum Order* dated October 11, 2023 (the "**October 11, 2023 Order**") [D.I. 738] regarding the implementation of the various milestones established by the *Memorandum Order* dated July 27, 2023 [D.I. 646] (the "**July 27, 2023 Order**") including:
 - Reviewing and analyzing the supplemental submissions filed by judgment holders seeking to be designated as Additional Judgment Creditors pursuant to Your Honor's October 11, 2023 Order;
 - Preparing a Steps Chart (as defined under the October 11, 2023 Order) and filing the *Letter to the Honorable Leonard P. Stark from Special Master*

² As defined under the Bidding Procedures [D.I. 480-1].

The Honorable Leonard P. Stark

May 1, 2024

Page 3

Robert B. Pincus Regarding the Steps Chart [D.I. 870] submitting the same;

- Reviewing and analyzing various motions and related submissions filed by Ricardo Devengoechea, Ostrider Limited, UML Blandford Limited, Union Glory Limited, and Clion Limited, Green Earth Technologies, Inc., Altana Credit Opportunities Fund SPC, Altana Credit Opportunities 1 SP, and Altana Funds Ltd. Cayman, and Cimontubo – Tubagens e Soldadura, LDA requesting to become an Additional Judgment Creditor and/or requesting to extend the Step (5) Writ Deadline and other deadlines applicable to the Attached Judgment process [D.I. 826, 828, 845, 857, 859, 860, 861, 862, 863, 875 & 883] and filing responses to the same [D.I. 830 & 853];
- Reviewing Your Honor's *January 18, 2024 Memorandum Order* [D.I. 869] and filed the Special Master's response to the same [D.I. 873]; and
- Met and conferred with parties as directed by Your Honor's *Oral Order*, dated January 25, 2024 [D.I. 890] for submission of a joint status report detailing the parties' positions with respect to how the action should proceed.
- Conducted analysis and engaged in discussions internally and with Potential Bidders regarding the PDVSA 2020 Bondholders (as defined in the Sale Procedures Order) and related documents.
- Prepared and presented arguments on the matters before the Court at the January 22, 2024, and January 24, 2024, telephonic hearings.
- Prepared and drafted the Special Master's *Motion Requesting Amendment of Certain Priority Arrangement Procedures* [D.I. 928] and letter correspondence requesting expedited briefing schedule regarding the same [D.I. 929].
- Reviewed and analyzed the motions filed by certain judgment holders for miscellaneous relief seeking, *inter alia*, their designation as Additional Judgment Creditors and expedited service of their writs of attachment on the PDVH shares [D.I. 802, 808 & 809] and prepared and filed Special Master's *Omnibus Response to Creditors' Motions for Miscellaneous Relief in Connection with the Sale Procedures Order* [D.I. 829].
- Prepared and participated in an *ex parte* meeting with Your Honor and my Advisors on January 5, 2024, and filed a notice of the same [D.I. 844] in accordance with Your Honor's *May 10, 2023 Memorandum Order* [D.I. 559] and *July 17, 2023 Memorandum Order* [D.I. 643].

The Honorable Leonard P. Stark

May 1, 2024

Page 4

- Prepared, drafted, and filed the Special Master's *Status Report Regarding Marketing Process Deadlines* [D.I. 839].
- Prepared and filed letter correspondence on the Court's docket proposing a status conference for February 14, 2024 [D.I. 871].
- Prepared and filed the *Special Master's Monthly Report for the Period Ended November 30, 2023* [D.I. 891].
- Reviewed, analyzed, and responded to the *Motion for Miscellaneous Relief in Connection with the Sale Procedures Order* filed by Gramercy Distressed Opportunity Fund, LLC and Rudi Lovati and Alessandro Lucibello Piani [D.I. 893] and prepared and drafted the Special Master's response to the same.

Statement of Fees and Expenses

The May 27 Order requires that I submit an Itemized Statement of my fees and expenses to the Court. During the period from January 1, 2024 to January 31, 2024, my Advisors and I have incurred an aggregate of \$2,626,005.53 of fees and expenses in connection with carrying out my duties as Special Master, as shown in the table below. The Itemized Statement in this Report is broken into multiple time periods to reflect the dates on which parties became Additional Judgment Creditors and, by extension, became responsible for the payment of their per capita allocation of Transaction Expenses. *See Memorandum Order* dated January 8, 2024 [D.I. 838] (the "**January 8 Order**"); *Oral Order* dated January 24, 2024 [D.I. 886] (the "**January 24 Order**"). Pursuant to the Sale Procedures Order, the January 8 Order, and the January 24 Order, each Sale Process Party and Additional Judgment Creditor is required to make prompt payment of its allocation of Transaction Expenses as a condition to retaining its status as an Additional Judgment Creditor. Following the approval by the Court of the Transaction Expenses described in this Report, the Special Master will send an invoice to each Sale Process Party and Additional Judgment Creditor setting forth the amount such party is required to pay, as well as wire instructions for payment. Going forward, following this Report, all Transaction Expenses will be paid pro rata by each Sale Process Party and Additional Judgment Creditor.

	January 1-7³	January 8-23⁴	January 24-31⁵	Total
--	--------------------------------	---------------------------------	----------------------------------	--------------

³ Crystallex, ConocoPhillips, and the Venezuela Parties, as the Sale Process Parties, shall be responsible for their per capita share of the Transaction Expenses incurred during the period from January 1, 2024 to January 7, 2024.

⁴ The Sale Process Parties and the fifteen (15) parties designated as Additional Judgment Creditors pursuant to the January 8 Order shall be responsible for their per capita share of the Transaction Expenses incurred during the period from January 8, 2024 to January 23, 2024.

⁵ The Sale Process Parties and the sixteen (16) parties designated as Additional Judgment Creditors pursuant to the January 8 Order and the January 24 Order shall be responsible for their per capita share of the Transaction Expenses incurred during the period from January 24, 2024 to January 31, 2024.

The Honorable Leonard P. Stark

May 1, 2024

Page 5

Special Master	\$6,095.83	\$17,812.50	\$11,716.67	\$35,625.00
Weil, Gotshal & Manges LLP	\$284,471.33	\$1,449,246.78	\$601,132.28	\$2,334,890.08
Evercore	\$45,840.90	\$105,373.98	\$52,370.64	\$203,585.52
Jenner & Block LLP	\$0.00	\$0.00	\$0.00	\$0.00
Potter Anderson & Corroon LLP	\$1,728.50	\$46,369.94	\$3,846.18	\$51,944.62
Total	\$338,136.56	\$1,618,803.20	\$669,065.77	\$2,626,005.53
Per Capita Payment	\$112,712.19	\$89,933.51	\$35,213.99	

This amount includes the monthly fees and expenses of counsel in connection with the matters described above and the monthly fees of my financial advisor, Evercore, for January, in connection with their assistance with the preparation for the Marketing Process, including the performance of due diligence and related analysis. The Itemized Statement, attached as Annex U hereto, contains a breakdown of such fees and expenses among my Advisors and myself. I respectfully request that Your Honor determine that such fees and expenses are regular and reasonable. A proposed form of order is enclosed for Your Honor's consideration.

I am available at the convenience of the Court, should Your Honor have any questions.

Respectfully Yours,

/s/ Robert B. Pincus

Robert B. Pincus, in my capacity as
Special Master for the United States
District Court for the District of
Delaware

Enclosures

cc: All Counsel of Record (via CM/ECF and E-Mail)